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MILK MARKET INFORMATION BULLETIN  
CHATTANOOGA, TENNESSEE MARKETING AREA  
April 1971

Number 9

Released Pursuant to \$1090.27(j) and \$1090.85, USDA - C&MS  
Federal Order No. 90, 112 Lee Parkway Drive, Chattanooga, Tennessee 37411  
J. B. McCroskey, Market Administrator

APR 12 1971  
MARKET SUMMARY - APRIL 1971

The Chattanooga Order MINIMUM uniform producer prices per cwt. at pool plants for milk testing 3.5% butterfat are: Base Milk - \$6.20 and Excess Milk - \$4.83. The producer butterfat differential is 8.2 cents for each one-tenth of one percent above or below 3.5% test.

In April 1971, 58.2% of the producer milk received by pool plants was priced in Class I at \$6.96 per cwt. and 41.8% was priced in Class II at \$4.84 per cwt. The April butterfat differential for Class I was 8.4 cents and Class II was 7.8 cents.

Total producer milk received during April 1971 was 38,578,854 pounds which is an increase of 5,056,209 pounds or 15.1% compared with April 1970. Deliveries of producer Base milk exceeded producer milk used in Class I by 11,818,503 pounds or percentagewise only 65.5% of Base milk was used in Class I. The April daily average deliveries from 854 producers was 1,506 pounds. This compares to 743 farms delivering a daily average of 1,504 pounds per day during April 1970.

USDA CONSIDERS LIFTING SOME PROVISIONS IN SEVEN MILK ORDERS

The U. S. Department of Agriculture is considering suspending or terminating from seven federal milk marketing orders those provisions that permit pooling of cooperative plants on a different basis from other plants and provisions which price diverted milk at the plant from which diverted. The proposed actions concern the Chattanooga, Nashville, Mississippi, Red River Valley, Oklahoma Metropolitan, South Texas and Corpus Christi orders.

USDA's Consumer and Marketing Service said that presently a cooperative association can have its milk pooled in any of those orders with little or no milk actually shipped to the regulated market. These provisions were designed originally to facilitate balancing supplies to handlers by the local cooperative and to help dispose of the local market's reserve milk.

At present, however, large volumes of milk, including some from distant sources are being pooled through such plants without regular shipment to these markets. Also, some distant milk supplies are being priced as though received at the market, but actually used at plants hundreds of miles distant. It appears that the provisions under consideration allow undue dilution of the returns for their milk, received by some, but not all, dairy farmers who are regular sources of supply for the respective markets, leading to disorderly marketing conditions, officials said.

USDA is contemplating holding hearings in the seven markets on the provisions proposed for suspension or termination and is inviting hearing proposals from all interested parties.

COMPARISON OF MILK RECEIPTS AND UTILIZATION

	% Apr. '71 Over <u>Apr. '70</u>	<u>Apr.</u> <u>1971</u>	<u>Mar.</u> <u>1971</u>	<u>Apr.</u> <u>1970</u>
Number of Plants - Pool		7	6	7
- Non-Pool		13	13	14
<u>RECEIPTS POUNDS (DAILY AVERAGE)</u>				
Producer Milk	+15.1	1,285,962	1,055,616	1,117,422
Other Source	+ 0.4	30,913	28,751	30,797
Other Federal Orders	-63.5	94,472	85,207	259,123
TOTAL MILK RECEIPTS	+ 0.3	1,411,347	1,169,574	1,407,342
<u>UTILIZATION POUNDS (DAILY AVERAGE)</u>				
<u>Class I Uses</u>				
Homo Milk	- 0.7	428,764	425,605	431,947
Skim	+10.4	22,361	21,460	20,252
2% Milk	+27.2	121,661	117,556	95,664
Buttermilk	+11.4	55,701	52,273	49,997
Flavored Milk and Drink	- 4.4	17,100	15,879	17,895
Creams (Sweet and Sour)	+ 2.7	3,302	3,198	3,215
Sub-Total - Pkg. Products (Pool Plants)	+4.8	648,889	635,971	618,970
Other (Shrinkage, Inventory, Yogurt, etc.)		9,704	3,352	1,325
Sales to Non-Pool Plants		104,678	82,877	182,172
In-Area Sales by Non-Pool Plants	+18.8	49,129	48,992	41,344
TOTAL CLASS I MILK	- 3.7	812,400	771,192	843,811
<u>Class II Uses - Pool Plants</u>				
Ice Cream Mixes	+ 1.3	51,787	56,497	51,100
Cottage Cheese	+ 7.1	51,041	51,192	47,644
Powdered and Condensed Milk		5,550	-0-	51,590
Livestock Feed and Milk Dumped		7,929	7,255	7,869
Sub-Total - Used to Produce	-26.5	116,307	114,944	158,203
Shrinkage Class II		15,009	16,308	11,607
Other (Inventory Variation, etc.)		(8,791)	(7,660)	3,431
Bulk Sales to Non-Pool Plants		476,422	274,790	384,290
TOTAL CLASS II MILK	+ 6.3	598,947	398,382	563,531
Class I Pkg. Lbs. In Area - Pool Plants	+ 3.4	493,977	486,851	477,925
Class I Pkg. Lbs. Out of Area - Pool Plants	+ 9.8	154,912	149,120	141,045
Class I Pkg. Lbs. In Area - Non-Pool Plants	+18.8	49,129	48,992	41,344
% Producer Milk of Gross Class I		158.3	136.9	132.4
% Producer Milk Priced in Class I		58.2	67.1	70.2

USDA ISSUES DECISION ON UNIFORMITY IN MILK ORDER TERMS

The U. S. Department of Agriculture has decided to amend all 62 Federal milk marketing orders, including Chattanooga, to provide uniform terminology for certain provisions. The proposed amendments are based on a public hearing held at Washington, D. C., September 1970.

The decision would establish a common set of administrative provisions for all Federal milk orders and delete corresponding provisions from the individual orders. The provisions cover certain definitions and USDA instructions, and serve the same purpose in every order. The amendments would eliminate confusion over language differences and unnecessary repetition in each order.



COMPUTATION OF PRODUCER UNIFORM BASE AND EXCESS PRICES  
AND WEIGHTED AVERAGE PRICE

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April 1971	Class %	Milk Pounds	Butterfat Test - %	Cwt. Price @ Test	Gross Value
Gross Class I		24,372,005	3.186		
Less Other Source		1,901,354	2.707		
Producer Milk Class I	58.2	22,470,651	3.227005	\$6.730684	\$1,512,428.51
Gross Class II		17,968,400	4.273		
Less Other Source		1,860,197	2.665		
Producer Milk Class II	41.8	16,108,203	4.458635	5.577735	898,472.88
TOTAL PRODUCER MILK Cl.I + Cl.II)	100.0	38,578,854	3.741259		\$2,410,901.39
Add Fractional Adjustment					.10
Less Handler Location Adjustment					(4,087.11)
Add Value of Overage					1,530.84
Add Value of Other Source Receipts					
Allocated to Class I and Location Adj.		1,792			17,036.69
Add ½ Producer-Settlement Fund Reserve					0.00
TOTAL VALUE AT TEST		38,580,646	3.741086	\$6.286525	\$2,425,381.91
Less Test over 3.5% @ 8.2¢ per point		38,580,646	.241086	.197691	76,270.46
TOTAL UTILIZATION VALUE AT 3.5%		38,580,646	3.5	\$6.088834	\$2,349,111.45
Less Reserve per \$1090.71(f)		38,580,646		.048834	
WEIGHTED AVERAGE PRICE - 3.5% TEST		38,580,646		\$6.04	
Less FMP from Unregulated Supply Plants					
Allocated to Class I @ Wt. Av. Price		1,792		6.04	108.24
TOTAL PRODUCER MILK VALUE @ 3.5% TEST		38,578,854	3.5		\$2,349,003.21

BASE AND EXCESS PRICES

	Milk Pounds	Cwt. Price @ Test	Amount	
TOTAL PRODUCER MILK VALUE @ 3.5% TEST	38,578,854	\$3.5		\$2,349,003.21
Excess Producer Milk Used in Class I	-		-	
Excess Producer Milk used in Class II	4,289,700	\$4.83	\$207,192.51	
UNIFORM EXCESS PRICE - 3.5% TEST	4,289,700	4.83		\$ 207,192.51
Total Value of Base Milk	34,289,154	6.246321		2,141,810.70
Less Producer-Settlement Fund Reserve	34,289,154	.046321		15,883.08
UNIFORM BASE PRICE - 3.5% TEST	34,289,154	\$6.20		\$2,125,927.62

APRIL 1971 MINIMUM PRODUCER PRICES CWT. F.O.B. CHATTANOOGA POOL PLANTS  
BUTTERFAT DIFFERENTIAL 8.2¢ PER POINT (EXCLUDES PREMIUMS)

TEST-%	BASE	EXCESS	TEST-%	BASE	EXCESS	TEST-%	BASE	EXCESS
3.0	\$5.79	\$4.42	4.0	\$6.61	\$5.24	5.0	\$7.43	\$6.06
3.05	5.831	4.461	4.05	6.651	5.281	5.05	7.471	6.101
3.1	5.872	4.502	4.1	6.692	5.322	5.1	7.512	6.142
3.15	5.913	4.543	4.15	6.733	5.363	5.15	7.553	6.183
3.2	5.954	4.584	4.2	6.774	5.404	5.2	7.594	6.224
3.25	5.995	4.625	4.25	6.815	5.445	5.25	7.635	6.265
3.3	6.036	4.666	4.3	6.856	5.486	5.3	7.676	6.306
3.35	6.077	4.707	4.35	6.897	5.527	5.35	7.717	6.347
3.4	6.118	4.748	4.4	6.938	5.568	5.4	7.758	6.388
3.45	6.159	4.789	4.45	6.979	5.609	5.45	7.799	6.429
3.5	6.20	4.83	4.5	7.02	5.65	5.5	7.84	6.47
3.55	6.241	4.871	4.55	7.061	5.691	5.55	7.881	6.511
3.6	6.282	4.912	4.6	7.102	5.732	5.6	7.922	6.552
3.65	6.323	4.953	4.65	7.143	5.773	5.65	7.963	6.593
3.7	6.364	4.994	4.7	7.184	5.814	5.7	8.004	6.634
3.75	6.405	5.035	4.75	7.225	5.855	5.75	8.045	6.675
3.8	6.446	5.076	4.8	7.266	5.896	5.8	8.086	6.716
3.85	6.487	5.117	4.85	7.307	5.937	5.85	8.127	6.757
3.9	6.528	5.158	4.9	7.348	5.978	5.9	8.168	6.798
3.95	6.569	5.199	4.95	7.389	6.019	5.95	8.209	6.839

## CHATTANOOGA ORDER MILK PRICES (3.5 PERCENT TEST)

Date	PRODUCER UNIFORM PRICES <u>1/</u>				HANDLER CLASS PRICES <u>1/</u>			
	Uniform	Per Hundredweight		Bf. Dif	Class I		Class II	
		Base	Excess		Cwt.	Bf. Dif.	Cwt.	Bf. Dif.
Apr. '70	\$6.09 <u>2/</u>	\$6.29	\$4.60	8.2¢	\$6.73	8.2¢	\$4.60	8.0¢
May	5.99 <u>2/</u>	6.16	4.58	8.2	6.75	8.4	4.58	8.0
June	6.06 <u>2/</u>	6.20	4.61	8.2	6.73	8.4	4.61	8.0
July	6.14 <u>2/</u>	6.31	4.60	8.2	6.76	8.4	4.60	8.0
Aug.	6.01	-	-	8.2	6.75	8.4	4.61	8.0
Sept.	6.32	-	-	8.4	6.76	8.4	4.66	8.1
Oct.	6.39	-	-	8.4	6.81	8.5	4.77	8.1
Nov.	6.47	-	-	8.2	6.92	8.4	4.82	8.0
Dec.	6.30	-	-	8.2	6.97	8.4	4.83	8.1
Jan. '71	6.28	-	-	8.2	6.98	8.4	4.79	8.0
Feb.	6.36	-	-	8.2	6.94	8.4	4.83	8.0
Mar.	6.21 <u>2/</u>	6.32	4.81	8.2	6.98	8.4	4.81	8.0
Apr.	6.04 <u>2/</u>	6.20	4.83	8.2	6.96	8.4	4.83	7.8
May	-	-	-	-	6.98	8.1	-	-

Date	PRICE QUOTATIONS				PRODUCER MILK USE (Daily Average)			
	Chi. 92° Butter	Chi. Area Powder	Minn/Wisc. Mfg. Milk	Basic Formula	Class I		Class II	
	¢ Lb.	¢ Lb.	\$-Cwt-3.5%	Minimum	Pounds	Test-%	Pounds	Test-%
Apr. '70	69.83	25.96	\$4.60	\$4.33	784,446	3.34	332,976	4.84
May	69.85	26.84	4.58	4.33	708,369	3.29	365,773	4.53
June	69.81	26.77	4.61	4.33	690,927	3.26	324,444	4.67
July	69.80	27.02	4.60	4.33	715,318	3.27	284,243	4.65
Aug.	69.80	26.85	4.61	4.33	694,169	3.27	347,743	4.45
Sept.	70.52	26.86	4.66	4.33	881,429	3.25	209,852	5.48
Oct.	70.12	26.85	4.77	4.33	875,572	3.37	221,288	5.94
Nov.	69.88	26.82	4.82	4.33	848,594	3.41	226,279	6.46
Dec.	70.40	26.90	4.83	4.33	760,876	3.36	342,699	5.48
Jan. '71	69.77	26.91	4.79	4.33	775,537	3.32	326,520	5.91
Feb.	69.78	27.12	4.83	4.33	770,040	3.34	251,416	6.51
Mar.	69.78	27.21	4.81	4.33	708,198	3.27	347,418	5.33
Apr.	67.78	29.19	4.83	4.33	749,022	3.23	536,940	4.46

## SUMMARY OF RECEIPTS AND USE (DAILY AVERAGE POUNDS)

Date	HANDLERS GROSS MILK <u>3/</u>			PRODUCER DATA				DELIVERIES PER		
	No.	Total	Class I	No.	Total	Base	Average	Farm --- Pounds		
	Hdlers.	Receipts	Use	Prod.	Delivery	Delivery	Test-%	Prod.	Base	Exc.
Apr. '70	21	1,407,342	843,811	743	1,117,422	988,522	3.79	1,504	1,330	174
May	21	1,258,907	768,561	741	1,074,142	965,184	3.71	1,450	1,303	147
June	21	1,153,003	752,470	739	1,015,371	924,399	3.71	1,374	1,251	123
July	21	1,124,146	775,421	744	999,561	903,625	3.66	1,343	1,215	128
Aug.	21	1,153,814	753,698	742	1,041,912	-	3.66	1,404	-	-
Sept.	20	1,184,034	952,991	742	1,091,281	-	3.68	1,471	-	-
Oct.	20	1,196,873	948,068	748	1,096,860	-	3.89	1,466	-	-
Nov.	20	1,166,551	910,227	745	1,074,873	-	4.06	1,443	-	-
Dec.	19	1,212,913	822,193	743	1,103,575	-	4.02	1,485	-	-
Jan. '71	19	1,201,136	838,128	739	1,102,057	-	4.09	1,491	-	-
Feb.	19	1,130,134	833,673	731	1,021,456	-	4.12	1,397	-	-
Mar.	19	1,169,574	771,192	693	1,055,616	980,583	3.95	1,523	1,415	108
Apr.	20	1,411,347	812,400	854	1,285,962	1,142,972	3.74	1,506	1,338	168

1/ Excludes Premiums2/ Weighted average Price3/ Other Source is Gross minus Producer

Class II is Receipts minus Class I